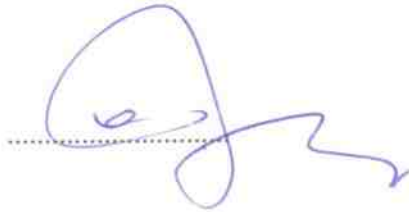


CONFIRMATION OF RESPONSIBLE PERSONS

Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and submission of Periodical and Additional Information of the Lithuanian Securities Commission, we, Darius Zubas, Managing Director of AB Linas Agro Group and Tomas Tumėnas, Finance Director of AB Linas Agro Group, hereby confirm that, to the best of our knowledge, the not audited AB Linas Agro Group interim consolidated Financial Statements for the period ended 31 March 2011, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of assets, liabilities, financial position, profit or loss and cash flow of AB Linas Agro Group and the Group as well.

AB Linas Agro Group Managing Director

Darius Zubas



AB Linas Agro Group Finance Director

Tomas Tumėnas





**LINAS AGRO GROUP AB
CONSOLIDATED INTERIM
REPORT
FOR FY 2010/2011**

FOR 9 MONTHS PERIOD
ENDED MARCH 31, 2011





1. COMPANY DETAILS

Company name:	AB Linas Agro Group
Legal form:	Public company
Date and place of registration:	27-11-1995 in Panevezys
Code of legal entity:	148030011
VAT identification number:	LT480300113
Company register:	Register of Enterprises of Republic of Lithuania, VĮ Registrų centras
Address:	Smėlynės St. 2C, LT-35143, Panevėžys, Lithuania
Phone:	+370 45 50 73 03
Fax:	+370 45 50 73 04
E-mail:	group@linasagro.lt
Website:	www.linasagro.lt

Linas Agro Group, AB – LNA 1 L (NASDAQ OMX Vilnius)

2. THE MAIN ACTIVITY

AB Linas Agro Group together with its subsidiaries and joint ventures is an integrated agribusiness developing Group of companies engaged in the production of and trade in agricultural produce, feed raw materials and other agriculture-related products. The Group consists of international trading companies Linas Agro, AB and Rosenkrantz A/S (Denmark), Latvian trade company Linas Agro, SIA, grain storage company UAB Linas Agro Grūdų centras KŪB that controls grain storages in Kėdainiai, Joniškis, Šiauliai and Vilkaviškis, a group of agricultural companies UAB Linas Agro Konsultacijos, Ukrainian based fertilizers production and trade company CJ-SC UKRAGRO NPK, Lignineko, UAB a lignin biofuel feedstock operator and other companies.. Together with partners, the controlling company owns seed production and agricultural machinery trade company Dotnuvos projektai UAB, and plant protection products trade company Kustodija UAB, also logistics and spedition company Jungtine ekspedicija UAB.

The Group is the leading exporter of grains and secondary products of food industry in the Baltic countries and the leader in supplies of agricultural inputs (such as certified seeds, fertilizers and agricultural machinery) in Lithuania. The Group carries out its trading operations mostly through its Denmark-registered subsidiary Rosenkrantz A/S. The Group is a major grains and milk producer in Lithuania. In order to improve its operations, the Group has formed an extensive network of grain storages and logistics network for road, railway, and seaborne transportation.

The Group's activities are subdivided into five basic operating segments: Grains and Oilseeds, Feedstuffs, Farming, Agricultural Inputs, and Other Activities. Division into separate segments is dictated by



different types of products and character of related activities; however, activities of the segments are often interconnected. The holding company performs only the management function and is not involved in any trading or production activities.

The financial year of most of the companies of the Group begin on 1 July.

Since 17 February 2010, AB Linas Agro Group was included in the main list of companies whose securities are traded on NASDAQ OMX Vilnius Stock Exchange.

3. INFORMATION ON ACTIVITY RESULTS OF THE COMPANY

- An increase in sales volumes and growing worldwide prices of agricultural products had a positive effect on Group's sales volumes. The revenues of the Group amounted to LTL 1.140 million and were 57% higher as compared to the third quarter of 2009/2010 season (LTL 725 million). The stand alone third quarter sales grew from LTL 170 million to LTL 344 million.
- The Group's gross profit reached LTL 62.1 million or was up by 29% as compared to the respective period of the last season (LTL 48.1 million). Nevertheless, due to poor harvest in Lithuania and Latvia, non-fulfillment of contracts by counterparties and provision for bad debts, Group's net profit attributable to shareholders amounted to LTL 11,2 million and was 47% less as compared to the corresponding period of previous year (LTL 21 million).
- The sales of the Group amounted to 1.23 million tons and were 19% higher as compared to the respective period of the last season (1.036 million tons respectively). Despite the fact that grain harvest in Lithuania and Latvia was respectively by 30 % and 15 % less as compared with previous season, Groups' major business segments' (grain and oilseeds) revenues declined by only 10 % evidencing an increase in AB Linas Agro Group market share.
- The Group has successfully increased the sales volume of fertilizers. It reached 362 thousand tons, including consolidated figures of Group's daughter company in Ukraine ZAT UKRAGRO NPK (70 thousand tons in 2009/2010 season);
- The Group further on perceived its investment program and signed a loan agreement with SEB bank regarding granting LTL 16.4 million for expansion of UAB Linas Agro Grudu Centras KUB. The loan will be used for expansion of the existing grain storage capacity and construction of two new grain elevators. The project is expected to be finished by 2012, its total value is LTL 20 million.



3.1. KEY PERFORMANCE INDICATORS

	9 months of 2010-2011	9 months of 2009-2010
Sales (LTL)	1,140,194,000	724,792,000
Operating profit (LTL)	17,491,000	29,518,000
Operating profit (LTL) by segments :		
Grains and oilseeds	(15,781,000)	14,845,000
Feedstuffs	5,893,000	2,260,000
Agricultural inputs	21,019,000	7,730,000
Farming	2,460,000	(4,161,000)
Other products and services	5,305,000	9,611,000
Net profit (loss) attributable to the Group (LTL)	11,229,000	21,048,000
Turnover (in tons)	1,230,000	1,036,000

3.2. OVERVIEW

Consolidated turnover of AB Linas Agro Group rose by 57% during July 2010 - March 2011 and totaled LTL 1.140 million as compared with corresponding period of previous year. The Group increased the trading volumes to 1.230 million tons, up 19% from 1.036 million in the same period of last season. The biggest turnover was in grains and oilseeds, amounting to LTL 547 million (or 48% of total sales), and agricultural inputs, amounting to LTL 372 million (or 33% of total sales). The increase in turnover is the result of growing sales volumes of fertilizers and higher worldwide prices of grains. However, due to especially unfavorable market situation, the consolidated non-audited profit of the Group before tax (EBT) totaled LTL 12.9 million and decreased by 53% as compared to the respective period (LTL 27.6 million). Group's profitability was negatively affected due to provision for bad debts amounting to LTL 7.8 million (AB Linas Agro – LTL 0,8 million and Rosenkrantz A/S – LTL 7 million).

Over the third quarter prices for major agro commodities (grains and oilseeds) has stabilized. Over referenced period prices for wheat and rape seeds at MATIFF commodity exchange dropped by 9% and 5% accordingly.



The operating costs incurred by the Group were LTL 40.2 million, i.e. 95% higher than during the same period of the last year (LTL 20.6 million, respectively). It is mainly explained due to consolidation effect of the Ukraine based company ZAT UKRAGRO NPK (LTL 9.7 million) and provisions for the bad debts (LTL 7.8 million).

The performance of Group daughter companies (Dotnuvos projektai UAB, Kustodija UAB and Jungtine Ekspedicija UAB) was profitable. The companies jointly earned up to LTL 2 million of net profit.

3.3. NINE MONTHS RESULTS

3.3.1. GRAINS AND OILSEEDS

Traditionally the largest business segment of the Group generated the sales of LTL 547 million during nine months of 2010/2011 season (LTL 397 million in 2009/2010 season, respectively) and the operating loss amounted to LTL 15.8 million. More than 607 thousand tons of various grain crops and oilseeds were sold (672 thousand tons in 2009/2010 season). The leading position was held by rapeseeds and wheat. The decline in segment sales is mainly explained due to bad harvest in major sourcing markets Lithuania (30%) and Latvia (15%). The biggest losses were recorded in barley from the Baltic region and corn purchased in Serbia (LTL 4.4 million and LTL 6.8 million). Losses were generated due to wash-outs that the Group had to pay for failing to fulfil its obligations to the buyers, poor grain quality as well as provision for bad debts. The Group has made a provision for bad debts from Serbian activity (LTL 7.0 million).

3.3.2. FEEDSTUFFS

The sales of feedstuffs were higher than budgeted and reached LTL 200.5 million and the operating profit totaled to LTL 5.9 million or was 2.6 times higher as compared to the previous period (LTL 2.3 million). The sales volumes amounted to 188 thousand tons or were 22% less as compared to previous period (240 thousand tons). This was the result of decreased sales volumes of vegetable oil (74%) due to export ban for this product in Belarus. All other sales of feedstuffs were successful especially in sugar beet pulp pellets which sales volumes amounted to LTL 17 million.

3.3.3. AGRICULTURAL INPUTS

Agricultural inputs remain one of the most successful business segments: twice as much fertilizer was sold in Lithuania and Latvia than during the same period in the last year and that amounted to 93 thousand tons. After consolidation of the Ukraine based company ZAT UKRAGRO NPK the segment's turnover totaled



to LTL 372 million (LTL 71 million last season) and the sales volumes of fertilizers amounted to 362 thousand tons. The operating profit of the segment grew from LTL 7.7 million to LTL 21 million.

3.3.4. FARMING

This segment covers the primary agricultural production. Due to high agricultural product prices and increased sales volumes in tonnage the revenues of the segment grew from LTL 21.6 million to LTL 30.4 million. The operating profit of the segment amounted to LTL 2.5 million as compared to LTL 4.2 million loss in 2009/2010 season. This is mainly explained due to profitable performance of Group's farming companies.

3.3.5. OTHER

The sales of this business segment are predominated essentially by Group's grain storage services and solid biofuel (lignin) trade. The total sales volumes in this segment reached LTL 29,5 million and that was mainly the revenues from Group's grain storage facilities (elevators). The gross profit of the segment remains one of the healthiest within the Group and accounts to 27 % of the gross margin. The operating profit slightly declined due to decreased revenues in Group's controlled elevators and amounted to LTL 5.3 million (LTL 9.6 million in 2009/210 season).

3.4. FINANCIAL COSTS

Rising grain prices resulted in corresponding increase in the Group's demand for working capital. It was one of the main reasons that negatively affected the level of financial expenditures. Financial expenditures also grew due to consolidation affect of ZAT UKRAGRO NPK into the Group. Bank interest expenses increased from LTL 4.1 million to LTL 6.9 million.

3.5. CASH FLOWS

Group's Cash flow from operating activities before the changes in working capital was LTL 15.8 million, as compared to LTL 29.8 million of the corresponding period of the prior financial year. Cash flow from operating activities after changes in working capital was minus LTL 32.4 million (plus LTL 16.4 million in 2009/2010 accordingly). This was the result of this season's sales activities that were dominated by increase in stock and debts. Group's cash balance at the end of the reporting season totaled LTL 12.4 million (LTL 56.9 million in 2009/2010).



4. THE PUBLICLY DISCLOSED INFORMATION AND OTHER EVENTS OF THE REPORTING PERIOD

4.1. THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended March 31, 2011, the Company publicly disclosed and distributed via NASDAQ OMX GlobeNewswire system and in Company's website the following information:

AB Linas Agro Group notification about interim six months financial results of the financial year 2010/2011	Interim information	En, Lt	2011-02-25 09:00:34 EET
AB Linas Agro Group Notification about acquisition of voting rights	Notification about acquisition (disposal) of a block of shares	En, Lt	2010-12-01 09:00:33 EET
Linus Agro Group, AB notification about interim 3 month financial results of the financial year 2010-2011	Interim information	En, Lt	2010-11-22 09:00:30 EET
Procedure for the payout of dividends for the financial year ended 30 June 2010	Notification on material event	En, Lt	2010-10-29 09:49:35 EEST
AB Linas Agro Group notification about the Annual information of the financial year 2009/2010	Annual information	En, Lt	2010-10-29 09:48:36 EEST
Decisions of the Annual General Meeting of AB Linas Agro Group Shareholders, held on 28 October 2010	Notification on material event	En, Lt	2010-10-29 09:45:35 EEST
Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	En, Lt	2010-10-06 17:15:32 EEST
AB Linas Agro Group sells a part of Ukrainian company's shares to its management	Other information	En, Lt	2010-10-04 09:00:30 EEST
CORRECTION: Linas Agro Group, AB notification about interim 12 month financial results of the financial year 2009-2010	Interim information	En	2010-08-30 11:56:31 EEST
Linus Agro Group, AB notification about interim 12 month financial results of the financial year 2009-2010	Interim information	En, Lt	2010-08-30 09:00:30 EEST
SEB Bank increased lending volume to PLC "Linus Agro Group" up to LTL 132 million	Other information	En, Lt	2010-08-16 09:00:30 EEST



Linus Agro Group, AB completed the takeover of Ukraine-based producer and trader of fertilizers	Notification on material event	En, Lt	2010-07-01 17:56:30 EEST
Inclusion of the stock exchange's newcomer into the list of OMX Baltic Benchmark index - a good sign to investors	Other information	En, Lt	2010-07-01 09:00:31 EEST

4.2. OTHER EVENTS OF THE REPORTING PERIOD

On 10 July 2010 AB Linas Agro increased share capital of UAB Lignineko LTL 500 thousand, from LTL 1,229.6 thousand to LTL 1,729.6 thousand.

On 13 July 2010 authorized capital of AB Linas Agro increased from LTL 7 million to LTL 31 million.

In July 2010 share capital of Medeikių ŽŪB increased from LTL 828 thousand to LTL 1,748 thousand.

In July–October 2010 Biržai district Medeikių ŽŪB AB Linas Agro has acquired additional 54.54% shares of ŽŪK Kupiškio grūdai for LTL 1,380 thousand. The effective share of ŽŪK Kupiškio grūdai owned by the Group increased to 92.87% (as of 30 June 2010 – 37.43%).

In August–September 2010 authorized capital of UAB Linas Agro Konsultacijos increased from LTL 2 million to LTL 3.1 million.

In August–December 2010 share capital of ŽŪB Landvesta 4 increased from LTL 295 thousand to LTL 355 thousand.

In September–October share capital of ŽŪB Landvesta 1 increased from LTL 102 thousand to LTL 201 thousand.

In September–December 2010 share capital of ŽŪB Landvesta 5 increased from LTL 197 thousand to LTL 391 thousand.

In December 2010 share capital of ŽŪB Landvesta 2 increased from LTL 102 thousand to LTL 199 thousand, share capital of ŽŪB Landvesta 6 increased from LTL 177 thousand to LTL 275 thousand.

In September–December 2010 UAB Linas Agro Konsultacijos acquired 225,772 shares or 4.36% of shares of Lukšių ŽŪB from the non-controlling shareholders for LTL 136 thousand.

On 28 October 2010 Ordinary General Meeting of Shareholders of AB Linas Agro Group was held with the following outcomes: approval of the consolidated and the Company's set of financial statements for the financial year ended 30 June, 2010; distribution of the Company's profit and allocation of LTL 3,500,000 (EUR 1,013,670.06) for the payment of dividends (or LTL 0.022 (EUR 0.0063) for each share of the Company before tax); election of UAB Ernst & Young Baltic as Auditor of the Company, approval of formation of the Company's Audit Committee, election of its members and approval of the Regulations



of its Activity.

On 11 November 2010 UAB Dotnuvos Projektai established its subsidiary in Estonia AS DOTNUVOS PROJEKTAI.

In December 2010 UAB Linas Agro Konsultacijos acquired 133,490 shares or 10.32% of shares of Sidabravo ŽŪB from the non-controlling shareholders.

On 30 December 2010 Linas Agro Group sold 381 shares or 2.34% of shares of CJ-SC UKRAGRO NPK to the management of CJ-SC UKRAGRO NPK.

5. SUBSEQUENT EVENTS

On 6 April 2011 UAB Linas Agro Konsultacijos has acquired 70% shares of Užupės ŽŪB for LTL 7 thousand.

On 8 April 2011 AB SEB bank issued a LTL 16.4 million loan for the expansion of Linas Agro Grūdų centras KŪB.

Contact persons:

Finance Director
Tomas Tumėnas
+ 45 507 393
t.tumenas@linasagro.lt

Investor Relations Specialist
Agnė Barauskaitė
+ 45 507 346
a.barauskaite@linasagro.lt

**AB LINAS AGRO GROUP
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD
OF FY 2010/2011
(UNAUDITED)**

**PREPARED ACCORDING TO
ADDITIONAL INFORMATION
PREPARING AND PRESENTATION INSTRUCTIONS
ISSUED BY THE SECURITIES COMMISSION
OF THE REPUBLIC OF LITHUANIA**



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of 31 March 2011	As of 30 June 2010
ASSETS			
Non-current assets			
Intangible assets	5	260	194
Property, plant and equipment	6	112,698	95,326
Investment property	7	8,477	8,398
Animals and livestock		12,930	9,534
Non-current financial assets			
Investments into associates	8	347	284
Investments into joint ventures	8	23,604	22,888
Other investments	9	344	5,884
Prepayments for financial assets	9	-	12,757
Non-current receivables		1,390	7,614
Non-current receivables from related parties	16	1,303	1,303
Total non-current financial assets		26,988	50,730
Deferred income tax asset		5,706	1,897
Total non-current assets		167,059	166,079
Current assets			
Crops		3,200	17,786
Inventories		133,809	62,785
Prepayments		56,555	19,530
Prepayments for related parties		-	-
Accounts receivable			
Trade receivables		145,342	121,152
Receivables from related parties	16	13,879	6,930
Other accounts receivable		23,397	18,721
Total accounts receivable		182,618	146,803
Other current assets		6,027	1,304
Cash and cash equivalents		12,383	34,014
Total current assets		394,592	282,222
Total assets		561,651	448,301

(cont'd on the next page)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

	Notes	As of 31 March 2011	As of 30 June 2010
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	158,940	158,940
Share premium	1	79,545	79,545
Legal reserve		4,151	4,100
Foreign currency translation reserve		(2,719)	(133)
Retained earnings		17,594	8,079
Total equity attributable to equity holders of the parent		257,511	250,531
Non-controlling interest		18,183	12,817
Total equity		275,694	263,348
Liabilities			
Non-current liabilities			
Grants and subsidies		9,925	10,557
Non-current borrowings	10	23,269	26,805
Finance lease obligations		1,999	1,578
Deferred income tax liability		3,845	1,372
Total non-current liabilities		39,038	40,312
Current liabilities			
Current portion of non-current borrowings	10,16	13,115	15,045
Current portion of finance lease obligations		744	928
Current borrowings	10	171,380	94,749
Derivative financial instruments		-	3,091
Trade payables		27,226	14,142
Payables to related parties	16	3,459	3,112
Income tax payable		6,598	1,415
Other current liabilities		24,397	12,159
Total current liabilities		246,919	144,641
Total equity and liabilities		561,651	448,301

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (for the period 1 July to 31 March)

	Notes	2010/2011 9 month	2009/2010 9 month
Sales	4	1,140,194	724,792
Cost of sales	11	(1,078,056)	(676,636)
Gross profit		62,138	48,156
Operating (expenses)	12	(40,157)	(20,609)
Other income	13	1,005	2,247
Other (expenses)	13	(5,495)	(276)
Operating profit		17,491	29,518
Income from financing activities	14	1,608	1,866
(Expenses) from financing activities	14	(6,997)	(4,177)
Share of profit of associates		62	128
Share of profit of joint ventures		779	265
Profit before tax		12,943	27,600
Income tax		(1,714)	(6,552)
Net profit		11,229	21,048
Attributable to:			
Equity holders of the parent		12,470	20,295
Non-controlling interest		(1,241)	753
		11,229	21,048
Basic and diluted earnings per share (LTL)		0,07	0,13
Net profit		11,229	21,048
Other comprehensive income			
Exchange differences on translation of foreign operations		(4,235)	598
Total comprehensive income		6,994	21,646
Attributable to:			
Equity holders of the parent		9,884	20,893
Non-controlling interest		(2,890)	753
		6,994	21,646

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (for the period 1 January to

March 31)

	Notes	2010/2011 3 rd Q	2009/2010 3 rd Q
Sales		344,059	170,435
Cost of sales		(324,125)	(167,346)
Gross profit		19,934	3,089
Operating (expenses)		(19,423)	(7,958)
Other income		386	1,574
Other (expenses)		(767)	53
Operating profit		130	(3,242)
Income from financing activities		514	411
(Expenses) from financing activities		(2,780)	(993)
Share of profit of associates		6	(7)
Share of profit of joint ventures		(589)	(1,013)
Profit before tax		(2,719)	(4,844)
Income tax		1,121	151
Net profit		(1,598)	(4,693)
Attributable to:			
Equity holders of the parent		(381)	(4,667)
Non-controlling interest		(1,217)	(26)
		(1,598)	(4,693)
Basic and diluted earnings per share (LTL)		(0.01)	(0.09)
Net profit		(1,598)	(4,693)
Other comprehensive income			
Exchange differences on translation of foreign operations		(1,957)	649
Total comprehensive income		(3,555)	(4,044)
Attributable to:			
Equity holders of the parent		(1,528)	(4,018)
Non-controlling interest		(2,027)	(26)
		(3,555)	(4,044)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Equity attributable to equity holders of the parent					Non-controlling interest	Total	
		Share capital	Share premium	Legal reserve	Foreign currency translation reserve	Retained earnings			Subtotal
Balance as of 1 July 2009		41,000	121,911	10	(297)	(18,657)	143,967	12,104	156,071
Net profit for the year		-	-	-	-	20,295	20,295	753	21,048
Other comprehensive income		-	-	-	598	-	598	-	598
Total comprehensive income		-	-	-	598	20,295	20,893	753	21,646
Issue of share capital		117,940	(38,113)	-	-	-	79,827	-	79,827
Transfer to legal reserve		-	-	4,090	-	(4,090)	-	-	-
Share issue transaction costs		-	(4,253)	-	-	-	(4,253)	-	(4,253)
Payment of Landvesta 4,5,6 shares		-	-	-	-	(654)	(654)	-	(654)
Dividends declared by Rosenkrantz A/S		-	-	-	-	-	-	(1,971)	(1,971)
Balance as of 31 March 2010		158,940	79,545	4,100	301	(3,105)	239,781	10,886	250,667
Balance as of 1 July 2010		158,940	79,545	4,100	(133)	8,079	250,531	12,817	263,348
Net profit for the year		-	-	-	-	12,470	12,470	(1,241)	11,229
Other comprehensive income		-	-	-	(2,586)	-	(2,586)	(1,649)	(4,235)
Total comprehensive income		-	-	-	(2,586)	12,470	9,884	(2,890)	6,994
Dividends declared by Rosenkrantz A/S		-	-	-	-	-	-	(611)	(611)
Dividends declared by parent		-	-	-	-	(3,500)	(3,500)	-	(3,500)
Minority interest arising on acquisition of subsidiaries	3	-	-	-	-	-	-	11,854	11,854
Reserves made		-	-	51	-	(51)	-	-	-
Acquisition of minority interest	3	-	-	-	-	596	596	(2,987)	(2,391)
Balance as of 31 March 2011		158,940	79,545	4,151	(2,719)	17,594	257,511	18,183	275,694

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

	Notes	2010/2011 9 month	2009/2010 9 month
Cash flows from (to) operating activities			
Net profit (loss)		11,229	21,048
Adjustments for non-cash items:			
Depreciation and amortization		7,804	6,289
Subsidies amortization		(1,104)	(1,093)
Share of profit of associates and joint ventures		(841)	(393)
(Gain) on disposal of property, plant and equipment		(120)	(139)
Loss from acquisition of subsidiary	3	670	-
Change in impairment of investments		(5)	12
Loss (gain) from disposal of investments		577	-
Change in allowance for receivables and prepayments		7,997	1,005
Change in inventories write down to net realizable value		(25)	-
Change in foreign currency translation reserve		(4,235)	598
Change in accrued expenses		(10,100)	(1,977)
Change in fair value of biological assets		(2,972)	-
Change of provision for onerous contracts		-	(5,263)
Change in deferred income tax		(4,427)	(119)
Current income tax expenses		5,730	6,552
Expenses (income) from change in fair value of financial instruments		238	967
Interest (income)		(1,608)	(1,866)
Interest expenses		6,997	4,177
		15,805	29,798
Changes in working capital:			
Decrease in biological assets		14,432	13,208
(Increase) in inventories		(26,589)	(14,788)
(Increase) in prepayments		(18,058)	(7,377)
(Increase) in trade and other accounts receivable		(28,546)	18,019
(Increase) in restricted cash		(1,458)	-
Increase in trade and other accounts payable		13,680	(13,090)
Income tax (paid)		(1,691)	(9,412)
Net cash flows from (to) operating activities		(32,425)	16,358

(cont'd on the next page)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW (cont'd)

	Notes	2010/2011 9 month	2009/2010 9 month
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(9,242)	(5,159)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		497	412
Acquisition of subsidiaries (less received cash balance in the Group)	3	7,657	(654)
Disposal of subsidiaries		1,089	-
(Acquisition) of other investments		(3,310)	-
Loans (granted)		-	(1,841)
Repayment of granted loans		8,069	17,929
Interest received		1,418	2,406
Dividends received		-	1,000
Net cash flows (to) investing activities		6,178	14,093
Cash flows from (to) financing activities			
Issue of share capital		-	75,575
Proceeds from loans		524,524	277,035
(Repayment) of loans		(507,601)	(309,915)
Finance lease (payments)		(917)	(719)
Interest (paid)		(7,279)	(6,996)
Dividends (paid) to non-controlling shareholders		(611)	(1,971)
Dividends (paid) to shareholders of the Company		(3,500)	-
Repurchase of bonds issued		-	(14,700)
Net cash flows from (to) financing activities		4,616	18,309
Net increase (decrease) in cash and cash equivalents		(21,631)	48,760
Cash and cash equivalents at the beginning of the year		34,014	8,190
Cash and cash equivalents at the end of the year		12,383	56,950
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by finance lease		1,002	219
Property, plant and equipment acquisitions financed by grants and subsidies		875	70

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

1. General information

AB Linas Agro Group (hereinafter the Company or the parent) is a public limited liability company registered in the Republic of Lithuania. The Company was registered on 27 November 1995. On 12 September 2008 the Company changed its name from UAB Agriveta to AB Linas Agro Group and the legal form from private to public limited liability company.

The address of its registered office is as follows:

Smėlynės Str. 2C,
Panevėžys,
Lithuania.

The principal activities of the Group are described in Note 4.

The financial year of the Group starts on 1 July of the calendar year and ends on 30 June of the following calendar year.

As of 31 March 2011 and as of 30 June 2010 the shareholders of the Company were:

	As of 31 March 2011		As of 30 June 2010	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	86,081,551	54.16%	87,641,551	55.14%
Darius Zubas	17,049,995	10.73%	17,049,995	10.73%
Other shareholders (private and institutional investors)	55,808,852	35.11%	54,248,852	34.13%
Total	158,940,398	100.00%	158,940,398	100.00%

All the shares of the Company are ordinary shares with the par value of LTL 1 each as of 31 March 2011 (LTL 1 each as of 30 June 2010) and were fully paid as of 31 March 2011 and as of 30 June 2010. The Company, its subsidiaries and other related companies did not hold any shares of the Company as of 31 March 2011 and as of 30 June 2010.

All of the Company's 158,940,398 ordinary shares are included in the Official list of NASDAQ OMX Vilnius stock exchange (ISIN code LT0000128092). The Company's trading ticker in NASDAQ OMX Vilnius stock exchange is LNA1L.

As of 31 March 2011 the number of employees of the Group was 738 (532 as of 30 June 2010).

Changes in share capital during the year ended 30 June 2010

On 30 October 2009 the Company's share capital was increased by issuing 79 million ordinary shares with the par value of LTL 1 each (in total LTL 79 million), which were fully paid from the Company's share premium. The new share capital of LTL 120 million and the Company's by-laws were registered on 16 November 2009. The new share premium was equal to LTL 42,911 thousand.

On 20 November 2009 the Company's shareholders decided to increase the share capital from LTL 120,000 thousand to LTL 158,940 thousand by issuing 38,940,398 ordinary shares with the par value of LTL 1 each (in total LTL 38,940,398), with issue price of LTL 2.05 each (in total LTL 79,827,816). The newly issued shares were fully paid by Akola ApS. The new share capital and the Company's by-laws were registered on 17 February 2010. Difference between the issue price and the par value equal to LTL 40,888 thousand was accounted for as share premium less LTL 4,253 thousand of shares issue transaction costs.

On 12 February 2010 the shareholder Akola ApS has sold 47,284,769 of the Company's shares during the initial public offering for LTL 2.05 each, in total LTL 96,934 thousand.

Trade in shares in NASDAQ OMX Vilnius stock exchange started on 17 February 2010.

2. Accounting principles

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU), which include IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2009/2010 season.

3. Group structure and changes in the Group

As of 31 March 2011 and as of 30 June 2010 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Effective share of the stock held by the Group		Main activities
		31 March 2011	30 June 2010	
Investments into directly controlled subsidiaries				
AB Linas Agro	Lithuania	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs and agricultural programs
UAB Linas Agro Konsultacijos	Lithuania	100%	100%	Management of the subsidiaries engaged in agriculture
ŽŪB Landvesta 1	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 2	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 3	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 4	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 5	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 6	Lithuania	100%	100%	Rent and management of agricultural purposes land
CJ-SC UKRAGRO NPK	Ukraine	58.04%	-	Manufacturing of fertilizers, wholesale of grains and oilseeds
Investments into indirectly controlled subsidiaries (through AB Linas Agro)				
SIA Linas Agro	Latvia	100%	100%	Wholesale trade of grains and oilseeds, agricultural programs
UAB Gerera	Lithuania	100%	100%	Not operating company
UAB Linas Agro Grūdų Centras	Lithuania	100%	100%	Management services
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
Rosenkrantz A/S	Denmark	60%	60%	Wholesale trade of grains and oilseeds, feedstuffs
ŽŪK Kupiškio grūdai	Lithuania	92.87%	37.43%	Preparation and warehousing of grains for trade
UAB Lignineko	Lithuania	100%	100%	Manufacturing of lignin
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
Biržai district Medeikių ŽŪB	Lithuania	98.36%	96.54%	Growing and sale of crops
Šakiai district Lukšių ŽŪB	Lithuania	98.29%	93.93%	Mixed agricultural activities
Panevėžys district Aukštadvario ŽŪB	Lithuania	65.35%	65.35%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	66.22%	55.90%	Mixed agricultural activities

3. Group structure and changes in the Group (cont'd)

Changes in the Group during the year ended 30 June 2010

During the year ended 30 June 2010 the Company together with AB Linas Agro participated in share capital increase of ŽŪB Landvesta 4, ŽŪB Landvesta 5 and ŽŪB Landvesta 6 for the total amount of LTL 654 thousand.

On 30 April 2010 AB Linas Agro acquired 100% of UAB Lignineko shares for LTL 2,046 thousand. UAB Lignineko possesses raw material which is used in production of lignin but does not have any business processes, therefore the Group accounted for purchase of UAB Lignineko shares not as a business combination but as an acquisition of assets, and attributed most of the purchase price to inventory cost.

Changes in the Group during the 9 month period ended 31 March 2011

On 1 July 2010 the Company acquired additional 50% shares of CJ-SC UKRAGRO NPK for EUR 3,694 thousand (LTL 12,757 thousand equivalent) from UAB Arvi ir Ko. After the share acquisition the Group directly controlled 63.38% of the investee. The mentioned company is consolidated to the Group from 1 July 2010.

At the acquisition date carrying value of net assets of CJ-SC UKRAGRO NPK did not differ materially from their fair value. Differences between the purchase consideration and fair values of the acquires assets, liabilities and contingent liabilities at the acquisition date were the following:

	CJ-SC UKRAGRO NPK
	1 July 2010
	Fair values (unaudited)
Non-current assets	16,442
Current assets	78,808
Non-current liabilities	(3,090)
Current liabilities	(64,340)
Fair value of net assets of subsidiary acquired	27,820
Non-controlling interest (36.62% in the acquired subsidiary)	(10,188)
Fair value of net assets acquired by the Group	17,632
Fair value of previous held equity interest	3,414
Cost	(5,545)
Group (loss) on derecognition of investment	(2,131)
Consideration transferred	12,757
Fair value of previous held equity interest	3,414
Total fair value of investment	16,171
Negative goodwill recognized as income	1,461
(Loss) on derecognition of investment	(2,131)
(Loss) recognized on acquisition of subsidiary as Other (expenses) (Note 13)	(670)
Consideration paid in cash*	12,757
Less: cash in the subsidiary	7,657
Acquisition price less cash acquired	5,100
Revenue for the year ended 30 June 2010	181,558
Profit for the year ended 30 June 2010	1,291

The Group measured the non-controlling interest in the acquire at the proportionate share of the acquiree's identifiable net assets.

**The Group was prepaid the acquired additional 50% shares of CJ-SC UKRAGRO NPK LTL 12,757 thousand until 30 June 2010, on the acquisition date was made settlement of liability.*

3. Group structure and changes in the Group (cont'd)

On 27 July 2010 Biržai district Medeikių ŽŪB has acquired additional 36.36% shares of ŽŪK Kupiškio grūdai for LTL 920 thousand. On 12 October 2010 AB Linas Agro has acquired additional 18.18% shares of ŽŪK Kupiškio grūdai for LTL 460 thousand. After the acquisition the effective share of ŽŪK Kupiškio grūdai owned by the Group increased to 92.87% (as of 30 June 2010-37.43%). This subsidiary was already consolidated to the Group in the years ended 30 June 2010 and 2009.

During the 9 month period ended 31 March 2011 the Group acquired 4.36% of Šakiai district Lukšių ŽŪB share capital for LTL 136 thousand, 10.32% of Sidabravo ŽŪB share capital for LTL 53 thousand, shares were acquired from the non-controlling shareholders. The subsidiary UAB Linas Agro Konsultacijos increased of Biržai district Medeikių ŽŪB share capital for LTL 920 thousand. The excess of the share of carrying values of net assets of respective companies over the acquisition price amounting to LTL 596 thousand arising on the acquisition was recognized directly in equity.

During the 9 month period ended 31 March 2011 the Parent increased of AB Linas Agro share capital for LTL 24,000 thousand. The Parent increased of ŽŪB Landvesta 1, ŽŪB Landvesta 4, ŽŪB Landvesta 5 and ŽŪB Landvesta 6 for the total amount of LTL 625 thousand.

The Parent increased of UAB Linas Agro Konsultacijos share capital for LTL 1,109 thousand. Subsidiary AB Linas Agro increased of UAB Lignineko share capital for LTL 475 thousand.

As of 30 December 2010 the Parent sold 2.34% shares of CJ-SC UKRAGRO NPK for LTL 477 thousand, net assets sold by the Group LTL 730 thousand, loss on disposal of CJ-SC UKRAGRO NPK LTL 253 thousand recognized as Other (expenses).

As of 10 January 2011 the Parent sold 3% shares of CJ-SC UKRAGRO NPK for LTL 612 thousand, net assets sold by the Group LTL 936 thousand, loss on disposal of CJ-SC UKRAGRO NPK LTL 324 thousand recognized as Other (expenses). (Note 13).

4. Segment information

For management purpose the Group is organized into five operating segments based on their products and services as follows:

- the grains and oilseeds segment includes trade in wheat, rapeseed, barley and other grains and oilseeds;
- the feedstuffs segment includes trade in suncake and sunmeal, sugar beat pulp, soybean and soymeal, vegetable oil, rapeseed and other feedstuffs;
- the agricultural inputs segment includes sales of fertilizers, seeds, plant protection products and other related products to agricultural produce growers;
- the farming segment includes growing of grains, rapeseed and others as well as sales of harvest, breeding of livestock and sales of milk and livestock. Milk is sold to local dairy companies, other production is partly used internally, partly sold;
- the other products and services segment includes sales of biofuel, provision of elevator services and other products and services.

Transfer prices between the Group companies are based on normal selling prices in a manner similar to transactions with third parties.

9 month period ended 31 March 2011	Grains and oilseeds	Feedstuffs	Agricul- tural inputs	Farming	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Revenue								
From one client UAB MESTILLA	138,415	13	-	-	446	-	-	138,874
Other third parties	408,952	199,151	364,683	16,457	12,077	-	-	1,001,320
Intersegment	-	1,361	7,633	13,995	17,052	-	(40,041) ¹⁾	-
Total revenue	547,367	200,525	372,316	30,452	29,575	-	(40,041)	1,140,194
Results								
Operating expenses	17,637	6,058	10,717	2,844	2,674	227	-	40,157
Segment operating profit (loss)	(15,781)	5,893	21,019	2,460	5,305	(1,405)	-	17,491

4. Segment information (cont'd)

9 month period ended 31 March 2010	Grains and oilseeds	Feedstuffs	Agricul- tural inputs	Farming	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Revenue								
From one client UAB MESTILLA	80,253	-	-	-	925	-	-	81,178
Other third parties	315,949	233,723	66,915	12,194	14,833	-	-	643,614
Intersegment	-	1,083	4,608	9,963	16,929	-	(32,583) ¹⁾	-
Total revenue	396,202	234,806	71,523	22,157	32,687	-	(32,583)	724,792
Results								
Operating expenses	9,116	4,778	877	2,456	2,064	1,318	-	20,609
Segment operating profit (loss)	14,845	2,260	7,730	(4,161)	9,611	(767)	-	29,518

1) Intersegment revenue are eliminated on consolidation.

Below is the information relating to the geographical segments of the Group:

Revenue from external customers	2010-2011 9 month	2009-2010 9 month
Lithuania	295,881	178,770
Europe (except for Scandinavian countries, CIS and Lithuania)	301,606	166,137
Scandinavian countries	93,175	156,936
Africa	35,855	78,692
Asia	96,846	82,876
CIS	316,831	60,986
Other	-	395
	1,140,194	724,792

The revenue information above is based on the location of the customer.

Non-current assets	As of 31 March 2011	As of 30 June 2010
Lithuania	102,665	103,410
Ukraine	18,330	-
Denmark	232	354
Latvia	208	154
	121,435	103,918

Non-current assets for this purpose consist of property, plant and equipment, investment property and intangible assets.

5. Intangible Assets

	Software	Other intangible assets	Total
Cost:			
Balance as of 30 June 2009	1,204	684	1,888
Additions	147	-	147
Write-offs	(8)	(483)	(491)
Balance as of 30 June 2010	1,343	201	1,544
Additions	56	7	63
Acquisition of subsidiaries	57	-	57
Disposal and write-offs	(50)	(60)	(110)
Exchange differences	(4)	(1)	(5)
Balance as of 31 March 2011	1,402	147	1,549
Accumulated amortization:			
Balance as of 30 June 2009	1,184	619	1,803
Charge for the year	11	27	38
Write-offs	(8)	(483)	(491)
Balance as of 30 June 2010	1,187	163	1,350
Charge for the year	31	18	49
Disposal and write-offs	(50)	(60)	(110)
Balance as of 31 March 2011	1,168	121	1,289
Net book value as of 31 March 2011	234	26	260
Net book value as of 30 June 2010	156	38	194
Net book value as of 30 June 2009	20	65	85

The Group has no internally generated intangible assets. Amortization expenses of intangible assets are included within operating expenses in the income statement.

6. Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Construction in progress and prepayments	Total
Cost:							
Balance as of 30 June 2009	5,877	72,304	46,962	6,259	7,824	1,043	140,269
Additions	238	6,070	561	332	1,311	2,570	11,082
Disposals and write-offs	(1)	-	(465)	(1,057)	(131)	-	(1,654)
Transfers to investment property	257	(434)	-	-	-	-	(177)
Reclassifications	10	1,162	(110)	27	136	(1,225)	-
Balance as of 30 June 2010	6,381	79,102	46,948	5,561	9,140	2,388	149,520
Additions	261	2,540	3,684	1,153	886	3,730	12,254
Acquisition of subsidiaries	249	13,357	1,135	995	314	335	16,385
Disposals and write-offs	-	(132)	(250)	(408)	(386)	-	(1,176)
Transfer from investment property	136	-	-	-	-	-	136
Transfers to investment property	(89)	-	-	-	-	-	(89)
Reclassifications	-	2,939	(287)	26	-	(2,678)	-
Exchange differences	(34)	(1,633)	(95)	(147)	(44)	(227)	(2,180)
Balance as of 31 March 2011	6,904	96,173	51,135	7,180	9,910	3,548	174,850
Accumulated depreciation:							
Balance as of 30 June 2009	-	15,010	22,390	3,332	4,780	-	45,512
Charge for the year	-	4,113	3,976	725	879	-	9,693
Disposals and write-offs	-	-	(449)	(937)	(93)	-	(1,479)
Transfers to investment property	-	(29)	-	-	-	-	(29)
Reclassifications	-	(26)	(2)	-	28	-	-
Balance as of 30 June 2010	-	19,068	25,915	3,120	5,594	-	53,697
Charge for the year	-	4,021	3,208	824	737	-	8,790
Disposals and write-offs	-	(114)	(138)	(232)	(340)	-	(824)
Exchange differences	-	-	(3)	(2)	(1)	-	(6)
Balance as of 31 March 2011	-	22,975	28,982	3,710	5,990	-	61,657
Impairment losses:							
Balance as of 30 June 2009	278	266	21	3	57	-	625
Charge for the year	62	-	-	-	-	-	62
(Reversal) charge for the year	(134)	-	(2)	1	(55)	-	(190)
Balance as of 30 June 2010	206	266	19	4	2	-	497
(Reversal) charge for the year	-	-	-	(1)	(1)	-	(2)
Balance as of 31 March 2011	206	266	19	3	1	-	495
Net book value as of 31 March 2011	6,698	72,932	22,134	3,467	3,919	3,548	112,698
Net book value as of 30 June 2010	6,175	59,768	21,014	2,437	3,544	2,388	95,326
Net book value as of 30 June 2009	5,599	57,028	24,551	2,924	2,987	1,043	94,132

7. Investment property

Investment property of the Group consists of land and buildings leased out under the operating lease which generates lease income.

	Land	Buildings	Total
Cost:			
Balance as of 30 June 2009	8,086	2,863	10,949
Additions	82	-	82
Disposals	(237)	-	(237)
Transfers from property, plant and equipment	(257)	434	177
Balance as of 30 June 2010	7,674	3,297	10,971
Additions	166	-	166
Disposals	-	-	-
Transfers to/from investment property	(47)	-	(47)
Balance as of 31 March 2011	7,793	3,297	11,090
Accumulated depreciation:			
Balance as of 30 June 2009	-	527	527
Charge for the year	-	37	37
Transfers from property, plant and equipment	-	29	29
Balance as of 30 June 2010	-	593	593
Charge for the year	-	40	40
Transfers from property, plant and equipment	-	-	-
Balance as of 31 March 2011	-	633	633
Impairment losses:			
Balance as of 30 June 2009	857	1,389	2,246
Charge for the year	(204)	-	(204)
Transfers to property, plant and equipment	(62)	-	(62)
Balance as of 30 June 2010	591	1,389	1,980
Balance as of 31 March 2011	591	1,389	1,980
Net book value as of 31 March 2011	7,202	1,275	8,477
Net book value as of 30 June 2010	7,083	1,315	8,398
Net book value as of 30 June 2009	7,229	947	8,176

The Group's management considers that the difference between the carrying value and fair value of investment property is not significant. Fair value has been determined based on valuations performed by independent valuers at near reporting date using the comparable prices method.

8. Investments into associates and joint ventures

As of 31 March 2011 and as of 30 June 2010 the Group had investments into the following associates and joint ventures:

	Place of registration	Effective share held by the Group		Main activities
		As of 31 March 2011	As of 30 June 2010	
Associates				
UAB Jungtinė ekspedicija	Lithuania	45.05%	45.05%	Expedition and ship's agency services
Joint ventures				
UAB Kustodija	Lithuania	50.00%	50.00%	Sale of fertilizers and plant protection products
UAB Dotnuvos Projektai	Lithuania	50.00%	50.00%	Sale of seeds, agricultural machinery
Companies controlled by UAB Dotnuvos Projektai				
UAB Dotnuvos Technika	Lithuania	50.00%	50.00%	Dormant
SIA Dotnuvos Projektai	Latvia	50.00%	50.00%	Sale of seeds, agricultural machinery
AS Dotnuvos Projektai	Estonia	50.00%	-	Sale of seeds, agricultural machinery
UAB Dotnuvos Agroservisas	Lithuania	49.98%	49.98%	Agricultural equipment maintenance and related services

Information on associates and joint ventures of the Group as of 31 March, 2011 was as follows (full amounts of revenue and profit and full amounts of statement of financial position):

	Investment at equity method	Profit (loss) for the reporting period	Sales revenue	Non-current assets	Current assets	Non-current liabilities	Current liabilities
Investments into associates							
UAB Jungtinė ekspedicija	347	138	3,504	172	1,305	-	707
	<u>347</u>						
Investments into joint ventures							
UAB Kustodija	1,350	(986)	19,214	506	23,543	37	21,312
UAB Dotnuvos Projektai (consolidated)	22,254	2,417	97,201	34,946	86,854	8,748	68,752
	<u>23,604</u>						

Information on associates and joint ventures of the Group as of 30 June 2010 was as follows (full amounts of revenue and profit and full amounts of statement of financial position):

	Investment at equity method	Profit (loss) for the reporting period	Sales revenue	Non-current assets	Current assets	Non-current liabilities	Current liabilities
Investments into associates							
UAB Jungtinė ekspedicija	284	272	5,614	174	1,453	-	995
	<u>284</u>						
Investments into joint ventures							
UAB Kustodija	1,843	503	39,890	660	32,380	37	29,317
UAB Dotnuvos Projektai (consolidated)	21,045	5,316	143,089	34,641	82,624	7,815	67,359
	<u>22,888</u>						

9. Other investments

Other investments of the Group consist of:

	Share held by the Group	As of 31 March 2011	As of 30 June 2010
CJ-SC UKRAGRO NPK (Ukraine)	13.38%	-	5,545
Panevėžys district Ėriškių ŽŪB	25.05%	173	173
Other investments		171	166
		<u>344</u>	<u>5,884</u>

The investment into Panevėžys district Ėriškių ŽŪB is not classified as an associate and therefore not accounted for using the equity method because the Group does not have voting rights in the company and does not have the ability to exercise significant influence.

On 1 July 2010 the Company acquired additional 50% shares of CJ-SC UKRAGRO NPK, after the share acquisition the Group directly controlled 63.38% of the investee. The mentioned company is consolidated to the Group from 1 July 2010, and transferred from other investment to subsidiary (Note 3).

10. Borrowings

	As of 31 March 2011	As of 30 June 2010
Non-current borrowings		
Bank borrowings secured by the Group assets	22,171	25,770
Other non-current borrowings	1,098	1,035
	<u>23,269</u>	<u>26,805</u>
Current borrowings		
Current portion of non-current bank borrowings	11,045	12,733
Current portion of other non-current borrowings (Note 16)	2,070	2,312
Current bank borrowings secured by the Group assets	159,125	83,111
Factoring with recourse liability	10,782	9,946
Other current borrowings	1,473	1,692
	<u>184,495</u>	<u>109,794</u>
	<u>207,764</u>	<u>136,599</u>

On 21 July 2007 AB Linas Agro issued bonds emission with the par value of LTL 15 million. On 21 July 2009 AB Linas Agro has redeemed the bonds emission together with accrued interest.

In 2006-2007 ŽŪB Landvesta 1 received non-current interest free loans amounting to LTL 1,400 thousand from non-controlling shareholders. These loans were discounted to their fair value using 8% discount rate. The discounting effect amounting to LTL 648 thousand was accounted for directly in equity in the non-controlling interest caption. Discount unwinding effect is accounted for under finance expenses caption.

Interest payable is normally settled monthly throughout the financial year. Accrued interest on bonds issued is settled annually.

11. Cost of sales

	2010-2011	2009-2010
	9 month	9 month
Cost of inventories recognized as an expense	986,309	598,925
Logistics expenses	71,945	64,411
Wages and salaries and social security	9,641	7,251
Provision for onerous contracts	-	(5,104)
Depreciation	5,327	4,674
Utilities expenses	2,199	1,801
Change in fair value of biological assets	(2,972)	-
Other	5,607	4,678
	<u>1,078,056</u>	<u>676,636</u>

12. Operating expenses

	2010-2011	2009-2010
	9 month	9 month
Wages and salaries and social security	21,059	11,433
Consulting expenses	1,058	1,251
Depreciation and amortization	1,234	1,078
Other	16,806	6,847
	<u>40,157</u>	<u>20,609</u>

13. Other income (expenses)

	2010-2011	2009-2010
	9 month	9 month
Other income		
Rental income from investment property and property, plant and equipment	679	654
Gain from disposal of investment property and property, plant and equipment	156	152
Other income	170	1,441
	<u>1,005</u>	<u>2,247</u>
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties	(244)	(231)
Loss from disposal of property, plant and equipment	(36)	(13)
Currency exchange loss	(3,913)	-
Loss recognized on acquisition of subsidiary (Note3)	(670)	-
Loss recognized on disposal of subsidiary (Note3)	(577)	-
Other expenses	(55)	(32)
	<u>(5,495)</u>	<u>(276)</u>

14. Income (expenses) from financing activities

	2010-2011 9 month	2009-2010 9 month
Income from financing activities		
Interest income	1,071	1,146
Income from overdue payments	537	720
	1,608	1,866
(Expenses) from financing activities		
Interest expenses	6,999	4,077
Expenses for overdue payments	(2)	100
	6,997	4,177

15. Commitments and contingencies

As of 31 March 2011 the Group is committed to purchase property, plant and equipment for the total amount of LTL 11,466 thousand (LTL 1,194 thousand as of 30 June 2010).

Additional investments are required for cattle farms located in Panevėžys district Aukštadvario ŽŪB and Sidabravo ŽŪB due to stiffening environmental regulation in Lithuania. Incompliance with such regulations may result in significant fines. Total estimated investment value for modernization till compliance level with the environmental regulations set by the Republic of Lithuania amounts to LTL 1,300 thousand (Panevėžys district Aukštadvario ŽŪB – LTL 650 thousand and Sidabravo ŽŪB – LTL 650 thousand)

A few Group companies (Šakiai district Lukšių ŽŪB, Biržai district Medeikių ŽŪB and Sidabravo ŽŪB) received grants from the European Union and National Paying Agency mostly for acquisition of agricultural heavy duty equipment. Šakiai district Lukšių ŽŪB is committed not to discontinue operations related to agriculture up to 2015, Biržai district Medeikių ŽŪB – up to 2014 and Sidabravo ŽŪB – up to 2013. In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania amounting to LTL 3,579 thousand as of 31 March 2011 (LTL 5,232 thousand as of 30 June 2010).

On 30 March 2010 AB Linas Agro and AB Klaipėdos Jūrų Krovinių Kompanija signed a long term cooperation agreement for expansion of a grain terminal. AB Linas Agro participates by partly financing (in total LTL 4,625 thousand) expansion of the grain terminal and will have an exclusive right for five years to use silage warehouses stowing 40 thousand tons of grain and to use the terminal for loading.

As of 31 March 2011 AB Linas Agro had bank guarantee contracts signed in favor of National Paying Agency for the total amount of LTL 24 thousand (as of 30 June 2010 – LTL 283 thousand). No restrictions on AB Linas Agro assets were imposed according to these agreements.

16. Related parties transactions

The parties are considered related when one party has the possibility to control the other or have significant influence over the other party in making financial and operating decisions.

The related parties of the Company and Group for the years ended 31 March 2011 and 30 June 2010 were as follows:

Members of the Board of the Company:

Darius Zubas (Chairman of the Board, ultimate controlling shareholder);
 Vytautas Šidlauskas;
 Dainius Pilkauskas;
 Arūnas Zubas;
 Andrius Pranckevičius;
 Arūnas Jarmolavičius;
 Tomas Tumėnas (member of the Board from 1 October 2008).

Subsidiaries:

List provided in Note 3.

16. Related parties transactions (cont'd)

Joint ventures (Note 8):

UAB Dotnuvos Projektai;
 ŽŪB Dotnuvos Agroservisas;
 UAB Dotnuvos Technika;
 SIA Dotnuvos Projektai (related from 26 April 2010);
 AS Dotnuvos Projektai (related from 11 November 2010);
 UAB Kustodija.

Associates (Note 8):

UAB Jungtinė Ekspedicija.

Akola ApS group companies:

Akola ApS (Denmark) (controlling shareholder);
 UAB MESTILLA (same ultimate controlling shareholders);
 OOO Ukrkalyj (Ukraine), in liquidation status (same ultimate controlling shareholders);
 CJ-SC UKRAGRO NPK (Ukraine) (same ultimate controlling shareholders, related until 30 June 2010);
 OAO Rajagrohim (Ukraine) (same ultimate controlling shareholders; liquidated on 9 November 2009).

UAB Baltic Fund Investments (Tomas Tumėnas is a director of this company).

The Group's transactions with related parties in 9 month period ended 31 March, 2011 were as follows:

2010/2011 9 month	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Current loans received
			Trade receivables	Current loans receivable			
Members of the board	-	-	-	-	-	-	667
Joint ventures	5,217	1,433	1,600	-	-	2,850	-
Associates	-	2	-	-	-	388	-
Akola ApS group companies	9,750	143,629	9,045	3,234	1,303	221	691
	14,967	145,064	10,645	3,234	1,303	3,459	1,358*

**Loans borrowed from related parties are accounted for under current portion of non-current borrowings in the statements of financial position (Note 10).*

As of 31 March 2011 and as of 30 June 2010 annual interest rate of the Group's loans borrowed and non-current loans receivable from related parties are fixed and equal to 7% and 8%, respectively. Current loans receivable from related parties bear 1m EURIBOR + 4.1% margin annual interest rate.

Transactions with related parties include sales and purchases of goods and services, sales and purchases of property, plant and equipment as well as financing transactions in the ordinary course of business.

There were no guarantees or pledges related to the Group's payables to or receivables from related parties. Receivables and payables from / to related parties will be settled in cash or offset with the payables / receivables from / to respective related parties.

Terms and conditions of the financial assets and liabilities:

- Receivables from related parties are non-interest bearing and are normally settled on 30-day terms.
- Payables to related parties are non-interest bearing and are normally settled on 30-90-day terms.
- Interest payable is normally settled at the end of the loan term.

The Group's receivables from related parties were not past due as of 31 March 2011 and 30 June 2010.

17. Subsequent events

On 6 April 2011 UAB Linas Agro Konsultacijos has acquired 70% shares of Užupės ŽŪB for LTL 7 thousand.
On 8 April 2011 SEB bank granted a loan of LTL 16,400 thousand to UAB Linas Agro Grūdų centras KŪB.